



1H2016 Results Presentation

26th July 2016

Forward-looking Statements contained in this document, particularly the ones regarding any EIT (EI Towers) possible or assumed future performance, are or may be forward-looking statements and in this respect they involve some risks and uncertainties.

EIT actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors.

Any reference to past performance of EIT shall not be taken as an indication of future performance.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2015 and 2016 accounting information contained in this release corresponds to that contained in the company's formal accounts.

1H2016 Highlights

- **Core Revenues at €123.8m (+3.7% yoy)**
 - Growth driven by volumes (almost exclusively M&A activity)
- **First Half Adjusted EBITDA at €60.6m (+8.9% yoy)**
 - Result, before one-off items, in line with FY2016 guidance
 - Adjusted EBITDA margin at 49% (+240 bps vs 1H2015)
 - Reported EBITDA at €58.2m
- **Free Cash Flow generation**
 - Free cash flow before small M&A/development capex at ca €19.5m
 - ca €5.2m Net Free Cash Flow
 - Net Debt at €125.1m

Income Statement

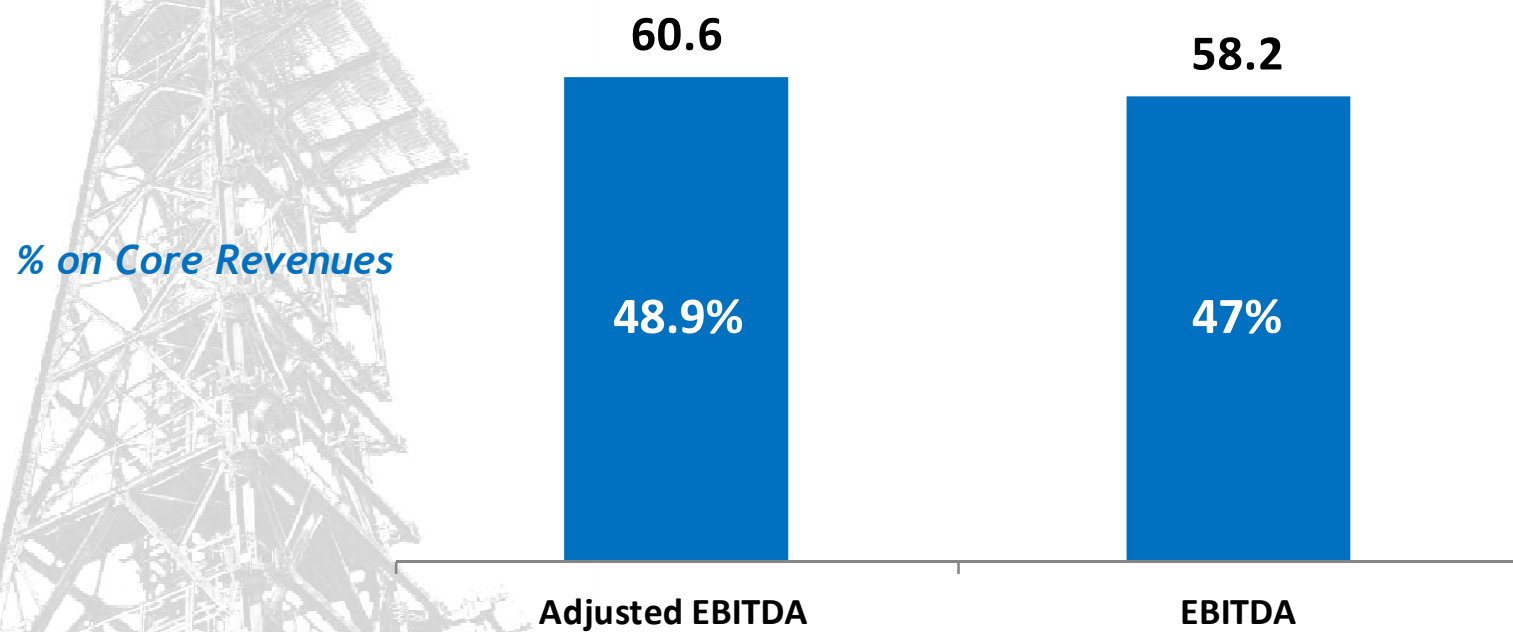
1H 2016 Financial Headlines

Data in €/m (*)	1H 2015	1H 2016	Var. % YoY
Core Revenues	119.4	123.8	3.7%
Other revenues	0.1	1.3	
Total Revenues	119.5	125.1	4.7%
Operating costs	(63.8)	(64.5)	1.1%
- o/w Opex	(41.3)	(42.8)	3.6%
- o/w Labour Cost	(22.5)	(21.7)	-3.6%
Adj. EBITDA	55.7	60.6	8.9%
% on Core Revenues	46.7%	49.0%	
One-off items	(2.7)	(2.5)	
EBITDA	53.0	58.2	9.7%
D&A	(18.7)	(18.4)	-1.9%
Provisions	-	(0.9)	
EBIT	34.3	38.9	13.4%
Net financial charges	(4.0)	(4.6)	13.9%
EBT	30.3	34.3	13.4%
Income taxes	(10.3)	(11.5)	11.2%
Net income	19.9	22.9	14.6%
EPS (€)	0.71	0.81	14.6%

(*) Figures restated due to PPA

1H2016 EBITDA

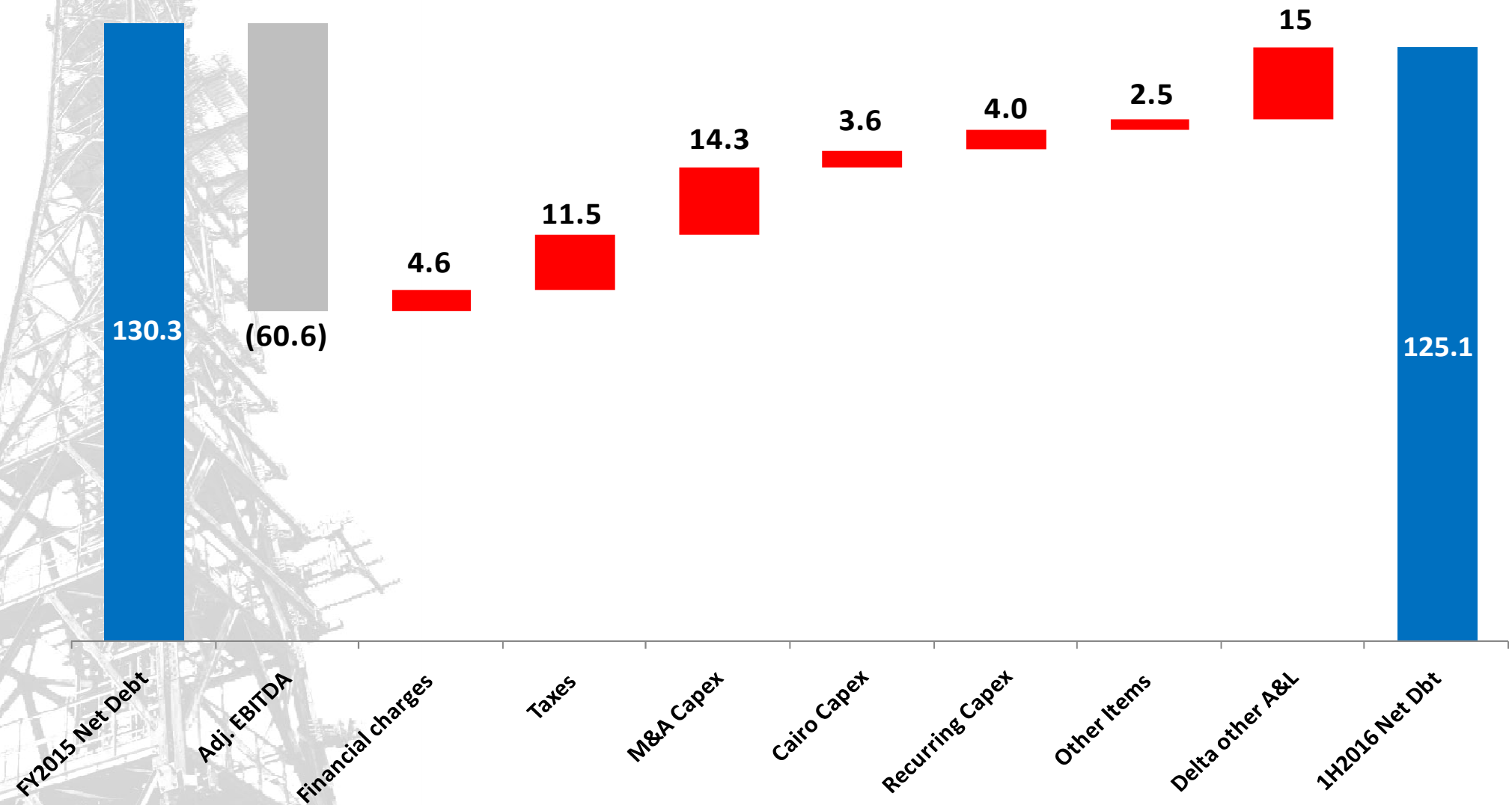
Data in €/m



- Adjustments
 - M&A costs €2.3m
 - Lay offs €0.1m

Net Debt and Cash Flow Bridge

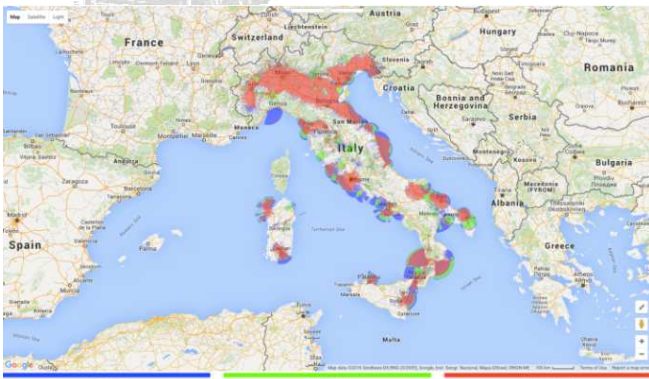
Data in €/m



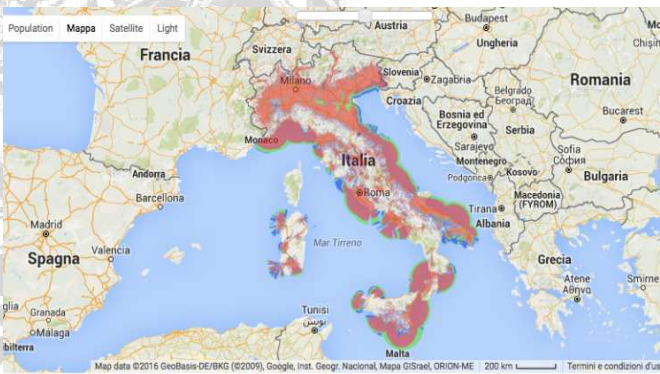
Small M&A update as of July 2016

- # 94 sites
- # 55 lots of land
- EV ~ €18m
- Pro forma EBITDA ~ €2.2m
- Implied multiple ~ 8.2x
- FY2016 M&A target portfolio on track
 - Up to pro forma €4-5m EBITDA to be acquired

Current coverage



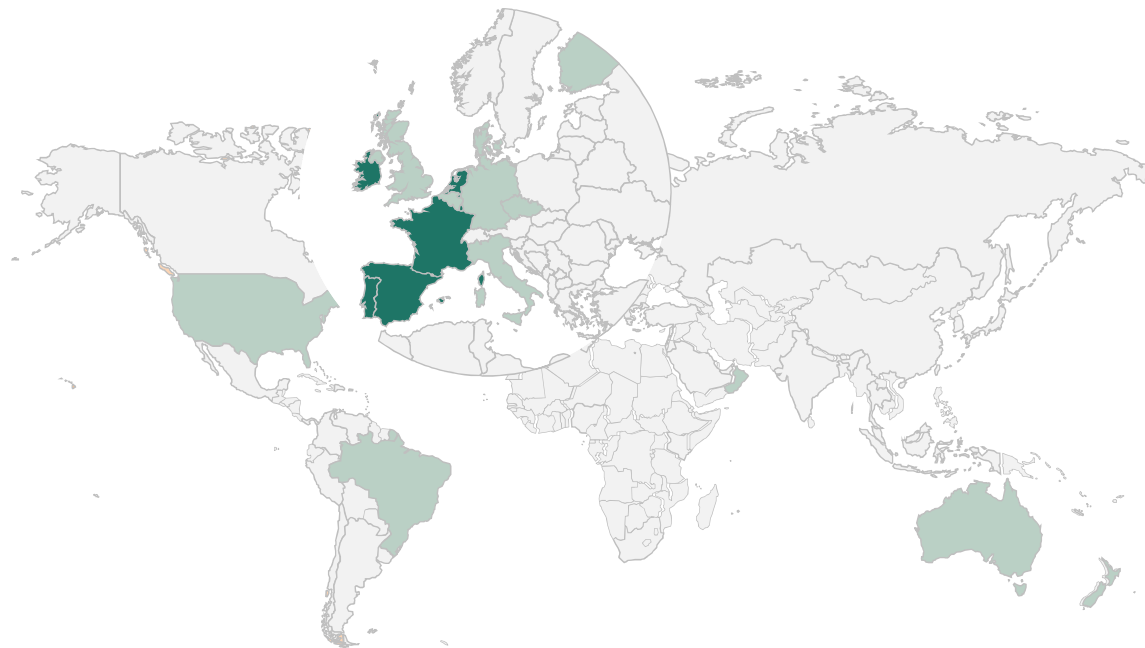
End of 2016



Legend:

■ 1 Base station
 ■ 2 Base stations
 ■ 3 Base stations

SIGFOX NETWORK: Nationwide coverage 19 countries, 311m people



● Launched country

France
 Spain
 Netherlands
 Portugal
 Ireland
 Luxembourg

● On going country deployment

Czech Republic USA
 Denmark Italy
 New Zealand Germany
 Brazil Belgium
 Finland United Kingdom
 Oman Australia
 Mauritius

- **Coverage targets:**
 - **As of today:**
 - » ~450 base stations already installed
 - » Population: 68%
 - » Top cities covered at 85%+: 25 (among these: Milan, Turin, Trieste, Verona, Rome, Bologna, Florence, Naples)
 - **End of 2016:**
 - » Population: 85%
 - » Top cities covered at 85%+: all cities with >40k inhab.
- **First agreements signed in the following sectors:**
 - Power Monitoring
 - Water Metering
 - Physical Asset Management

A more efficient Capital Allocation

- **Targeting 2.5x Net Debt/EBITDA by year end 2018**
- **Establishing a regular Dividend Policy**
 - Pay out *at the least* 100% Consolidated Net Income
- **Share Buy Back programme**
 - Up to 5% of Share Capital
- **The proposed capital allocation allows to:**
 - Pursue investment opportunities (small M&A)
 - Maintain financial flexibility
- **All FY2016 Targets confirmed**

Adjusted EBITDA corresponds to the difference between consolidated revenues and operating costs, gross of non-monetary costs related to depreciations, amortizations and write-downs (net of possible revaluation) of current and non-current assets, of non ordinary economic components related to M&A transactions according IFRS3 or layoffs, of any costs related to atypical and/or unusual deals as defined by Consob communication of July 28 2006 n. DEM 6064293.

EBITDA is the difference between consolidated revenues and operating costs, gross of non monetary costs related to depreciations, amortizations and write-down (net of possible revaluations) of current and non current assets. It is a measure used by the Group management to monitor and evaluate the Company performance and it is not applied as an accounting measure within the IFRS standards (“Non GAAP Measure”).



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